

New benefit and provider fee levels effective October 2005

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The statewide average weekly wage (SAWW) effective Oct. 1, 2005, is \$774, a 4.59 percent increase over the current SAWW of \$740, which has been in effect since Oct. 1, 2004. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the page 7. The statewide annual average wage will change to \$40,203 on Jan. 1, 2006.

The new SAWW is based on 2004 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes §176.011, subd. 20. The increase in the SAWW is the basis for the M.S. §176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. §176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992, and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent.

The vocational rehabilitation annual adjustment of hourly fees is limited to the 2 percent maximum increase (Minnesota Rules 5220.1900 subp. 1b, 1c and 1e). On Oct. 1, 2005, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase to \$85.45 and the maximum hourly rate for rehabilitation job development and placement services will increase to \$65.72.

During the 2005 legislative special session, a new law was enacted amending the relative value fee schedule (2005 Laws of Minnesota, 1st special session, ch. 1, art. 4, sec. 40). This law:

- removes the scaling factors from the relative value units in the workers' compensation medical fee schedule.
- establishes four conversion factors for the sections of the fee schedule containing medical/surgical services, pathology and laboratory services, physical medicine and rehabilitation services and chiropractic services.
- requires the four conversion factors to be set so that the maximum fees for each service are the same as under the current fee schedule, except for chiropractic services.
- requires the conversion factor for chiropractic services to be increased to 72 percent of the medical/surgical conversion factor, with half of the increase to be implemented Oct. 1, 2005, and half implemented Oct. 1, 2006.
- provides that the annual adjustment of the conversion factors may be adjusted (by no less than zero) to offset the increase in payments resulting from the increase in the chiropractic conversion factor. **Fee levels, continues ...**

Statewide average weekly wage Effective Oct. 1 of the indicated year

Year	Statewide average weekly wage	Percentage change from previous year
1992	\$459	3.61%
1993	\$484	5.45%
1994	\$492	1.65%
1995	\$505	2.64%
1996	\$524	3.76%
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%

Fee levels, continued ...

Pursuant to this law, effective Oct. 1, 2005, the new conversion factors will be:

- medical/surgical services in part 5221.4030.....\$76.31
- pathology/laboratory services in part 5221.4040.....\$63.72
- physical medicine/rehabilitation services in part 5221.4050.....\$66.16
- chiropractic services in part 5221.4060.....\$48.08

To offset the increase in the chiropractic conversion factor, as permitted by the new law, there will be no annual adjustment to the conversion factors.

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, because there is no annual adjustment to the conversion factors, there will be no increase in the independent medical examination fees on Oct. 1, 2005.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Role-playing injects fun into work comp training scenario



To liven up the afternoon session during a Department of Labor and Industry workers' compensation training for insurance adjusters, in July, Customer Assistance staff members take on roles, acting out a mediation session with an injured worker and two lawyers. For more training information, visit www.doli.state.mn.us/wctrain.html.

Above (l to r): injured employee Marv Williams (Ralph Hapness, in hat); attorney Lyle Litigator (Phil Moosbrugger). DLI mediator (John O'Loughlin); and the insurer's attorney Paula Perfect (Nancy Lane).

Compensation rates as of Oct. 1, 2005

Statewide average weekly wage (SAWW) = \$774

Percentage change in SAWW from previous year = 4.59%

(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-77	\$197.00
10-01-78	\$209.00
10-01-79	\$226.00
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by Statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00

Minimum under M.S. 176.101, subd. 1(2).

50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW

	<i>50%</i>	<i>20%</i>
10-01-77	\$ 98.50 (gross wage - \$147.75)...	\$ 39.40
10-01-78	\$104.50 (gross wage - \$156.75)...	\$ 41.80
10-01-79	\$113.00 (gross wage - \$169.50)...	\$ 45.20
10-01-80	\$122.00 (gross wage - \$183.00)...	\$ 48.80
10-01-81	\$133.50 (gross wage - \$200.25)...	\$ 53.40
10-01-82	\$145.00 (gross wage - \$217.50)...	\$ 58.00
10-01-83	\$156.50 (gross wage - \$234.75)...	\$ 62.60
10-01-84	\$164.50 (gross wage - \$246.75)...	\$ 65.80
10-01-85	\$171.00 (gross wage - \$256.50)...	\$ 68.40
10-01-86	\$180.00 (gross wage - \$270.00)...	\$ 72.00
10-01-87	\$188.00 (gross wage - \$282.00)...	\$ 75.20
10-01-88	\$195.50 (gross wage - \$293.25)...	\$ 78.20
10-01-89	\$206.50 (gross wage - \$309.75)...	\$ 82.60
10-01-90	\$214.00 (gross wage - \$321.00)...	\$ 85.60
10-01-91	\$221.50 (gross wage - \$332.25)...	\$ 88.60

20% of the SAWW or the employee's actual

weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's

actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132 (Minnesota Statutes 1994)

**and permanent total minimum under
M.S. 176.101, subd. 4
(for injuries 10-1-95 and later)**

10-01-83	\$203.45	(rounded to \$204)
10-01-84	\$213.85	(rounded to \$214)
10-01-85	\$222.30	(rounded to \$223)
10-01-86	\$234.00	(round)
10-01-87	\$244.40	(rounded to \$245)
10-01-88	\$254.15	(rounded to \$255)
10-01-89	\$268.45	(rounded to \$269)
10-01-90	\$278.20	(rounded to \$279)
10-01-91	\$287.95	(rounded to \$288)
10-01-92	\$298.35	(rounded to \$299)
10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*

*Rounding applies to supplementary benefits.